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NSC BRIEFING

13 May 1954

VIETNAMESE GOVERNMENT FACES DISINTEGRATION

I. The government of Bao Dai, competing at Geneva with the highly organized regime of Ho Chi Minh, is split and virtually unable to function.

A. Bao Dai and two thirds of his ministers are in Europe; the two senior members of his government still in Saigon are at loggerheads.

II. The governor of Tonkin flatly asserted on 6 May that Vietnam no longer had a central government.

A. Only solution he saw was for Bao Dai to return at once and become premier.

B. But it is doubtful that Bao Dai's active direction of government would remedy the situation at this late date.

C. Anyway, he had announced two days previously that it was his duty "to remain for some time in Europe to defend Vietnam on the international scale."

III. Paralysis of the government in Saigon is illustrated by fact that the "war cabinet" established by Bao Dai on 9 April has had but one meeting.

A. This body includes Premier Buu Loc, Defense Minister Quat, and Chief of Staff General Hinh.

B. The latter two have long been at odds.

State Dept. review completed

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IV. Shortly after its formation, war cabinet agreed on a general mobilization order.

- A. But four weeks later, on 3 May, Hinh told the American chargé in Saigon that the orders necessary to carry out the decree had remained on Quat's desk.
- B. Quat denies this and blames Hinh.
- C. The premier, who might have mediated between Quat and Hinh, was in Paris.
- D. Meanwhile, the chargé noted that the army, conscious of the rivalries between the defense minister and the chief of staff, was steadily deteriorating.

V. Apart from its anomolous position of an almost but never quite independent regime, a basic weakness of the Vietnam government has been the type of rule exercised by Bao Dai.

- A. He refuses all demands for a constitution or assembly that might limit his power, and delegated<sup>S</sup> authority to mutually hostile subordinates.
- B. This pattern has been varied by occasional heavy-handed intervention, when he considered a subordinate's strength to be developing too rapidly.

VI. A striking example of Bao Dai's practice of abrupt and devastating intervention was a decree on 1 May, issued from France, giving control of the national police to <sup>(LEADER OF)</sup> a paramilitary, quasi-gangster organization.

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A. This group, known as the Binh Xuyen, controls the most important gambling concessions in Saigon, and has been an important source of funds for Bao Dai.

1.

about a half million

of Bao Dai's total annual income of

\$7 - 8,000,000 comes from this source.

B. Binh Xuyen is considered reliably anti-Communist-- so long as anti-Communism is profitable--but the American chargé in Saigon reports that its elevation has seriously demoralized the sureté.

C. Rumors are current in Saigon that other Binh Xuyen leaders will be given top government jobs, even including the governorship of Cochinchina.

VII. The Binh Xuyen affair has heightened the conflict between Hinh and Quat.

A. Some 200 sureté officers have left their posts and joined forces with Hinh, taking their security files with them.

B. Hinh hinted broadly to the American chargé on 7 May that he would use these files for political purposes through the agency of a military security service which he intends to set up.

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- C. Quat states Hinh has in mind a sort of Gestapo, and is trying to head off the formation of a separate security system.

VIII. The present situation appears to be more one of paralysis than of disintegration.

- A. There is a suggestion of the latter, however, in the action of the pope of the Cao Dai (a politico-religious sect with considerable strength in South Vietnam) who on 3 May addressed a broadcast to Ho Chi Minh calling for a coalition to oppose the partition of Vietnam.
- B. This group has an armed force of some 10,000 that was scheduled for integration into the Vietnam army.
- C. The action of the Cao Dai pope has been ascribed to various motives, but the American embassy points out that the effect has been to increase the forces of division and to give impetus to the steadily deteriorating political situation.
- D. This deterioration also reflected in recent remarks to American officials by Vietnamese labor minister who joined government in January and until 1950 lived in Viet Minh area.

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1. He expressed total disillusionment with "corrupt and totally unrepresentative" Bao Dai government; asked what American attitude would be if attempt made to set up "revolutionary government."
2. He said population in Viet Minh areas opposed to Viet Minh but would revolt rather than put up with Bao Dai's regime.